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China, Peoples Republic of

Competitor

Hainan Fresh Fruit Packing Facility

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Approved by:

Samuel Wong

U.S. Consulate General, Guangzhou

Prepared by:

Samuel Wong

Report Highlights:

Hainan is building a tropical fruit packing facility to improve its capability for post-harvest processing of fresh fruit. The end products will likely become a substitute for U.S. fresh fruit in China.

Includes PSD changes: No
Includes Trade Matrix: No
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A Fruit Packing Facility Being Built in Hainan

Ground Breaking Ceremony of the Best Goldlines Tropical Fruit Packing Facility was held at the Le Dong County of Hainan on Saturday, August 3, 2002. The event was to lay the foundation for building a tropical fruit processing facility in Le Dong, about 80 km from the more well-known Sanya resort town. AGRILINK, a U.S. company, organized the ceremony.

AGRILINK appeared to have assembled the necessary talents and resources for this venture. It has investors from the United States, Taiwan and China. It has the technical partnership of the California Controlled Atmosphere. It has a local distribution and logistic network for the finished products. When completed and put into operation, expected in January or February 2003, this fruit packing facility will enhance product quality of post harvested fresh tropical fruit and will likely dominate the South and Southwestern China fruit market. It will focus on processing banana in the early stage of the operation. Later, it will branch off to processing other tropical fruits.

AGRILINK has offices in China and the United States. Its services include consulting and representing high-tech U.S. agriculture companies, representing Chinese farmer groups in areas of sourcing, purchasing and technical information gathering, promoting standardization and sales network of Chinese produce, creating brand image, and securing investment for agricultural projects. It is meeting the expressed current needs of China's food and agricultural sectors, namely, investment, technology (equipment), and services.

The development of a modern up-to-par fruit processing facility is another sign of China's getting ready to compete for its market share domestically and regionally. The local government leaders are eager to embrace this project, as fresh produce, hitherto, has an extremely high rate of spoilage, due to the lack of post-harvest technology and farmers are getting a poor return for their investment.

Hainan is a Chinese Special Economic Zone as well as a province in South China. It is the primary site in China for the production of tropical fruits including banana, coconut and star fruit. Its economy is essentially agricultural, complemented with tourism and fishing.

I attended the ground breaking ceremony as a VIP guest at the invitation of the Operation Manager of AGRILINK in China. The Foreign Commercial Service was initially invited to the ceremony but its officers were unavailable for the function. As a gesture of cooperation between FAS and FCS and in the interest of knowing what the competitor is doing, I decided to attend the ceremony. I spoke at the ceremony and participated in ribbon cutting and ground breaking.